



# NEWS FROM HOUSE DEMOCRATIC CAUCUS VICE CHAIR CONGRESSMAN JAMES E. CLYBURN

April 20, 2005

Issue: Social Security & Young People

## Democratic Dispatch

### Social Security is There for Young People Today

While in South Carolina on Monday the President once again modified his arguments in support of private accounts. In recent speeches he has emphasized the need to create an ownership society and to insure the program will be there for young people when they retire.

I countered the President's visit at a number of events. I emphasized at those events that the only thing today's young people will be guaranteed to own under the President's privatization scheme is nearly \$5 trillion in debt over the next 20 years. Imagine a dramatic stock market plunge like last week occurring just before a retiree is set to withdraw his or her earnings from a private savings account invested in stocks. It can happen at any time and have devastating affects on those who are dependent on those funds for their future financial stability. There is no stability in the stock market and no security for those who invest Social Secu-

#### Congressman Clyburn's Schedule on April 18, 2005 during President Bush's Visit to South Carolina

- 7:30-8:30 AM Address the South Carolina Minority Health Conference
- 9:10 AM Interview with South Carolina News Network
- 9:20 AM Interview with AP Radio (National)
- 9:45 AM Interview with the local NBC and CBS TV affiliates
- 10:00 AM Keynote Rally "All is Not Well in Bush Country" — highlight how President's policy specifically impact S.C.
- 10:30 AM Teach-In on Social Security at Allen University
- 12:45 PM Interview with the local ABC TV affiliate
- 1:00 PM Interview with *The State* newspaper

riety funds on Wall Street. The only people guaranteed to make a profit are the investment brokers, who will be paid regardless of the performance of the investment.

Secondly, I addressed the President's attempt to scare young people into believing that Social Security will not be there for them when they retire with a two-pronged response.

I addressed the solvency issue of the program first using the Congressional Budget Office's findings, that when the Trust Fund is exhausted in 2052, the year a today's 20-year-old could retire with full benefits, Social Security will still be able to pay 78% of the benefit that young person

has been promised today. The President should check his rhetoric and his figures because 78% is a whole lot more than nothing. I emphasized that with minor changes Social Security could become solvent enough to reach the level needed to provide today's 20-year-olds their full benefits.

I felt it worth noting that the Social Security Trust Fund is on the road to insolvency because the Baby Boomers are putting a strain on the system. The last of the Baby Boomers, born in 1964, will be 88-years-old in 2052 when the Trust Fund is exhausted. That means the strain on the system will be in its waning days, and the system will return to taking in more than it pays out and the Trust Fund will begin to rebuild.

**"The only thing today's young people will be guaranteed to own under the President's privatization scheme is nearly \$5 trillion in debt over the next 20 years."**

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## SOCIAL SECURITY BENEFITS BY AGE AND STATE

FROM THE 2030 ACTION REPORT YOUNG SOCIAL SECURITY BENEFICIARIES IN THE 50 STATES

|                      | Total      | 17 & Under | Age 18-39 | All other ages |
|----------------------|------------|------------|-----------|----------------|
| All U.S.             | 44,246,980 | 2,968,710  | 1,329,430 | 39,948,840     |
| Alabama              | 801,290    | 71,350     | 30,930    | 699,010        |
| Alaska               | 49,490     | 6,950      | 2,380     | 40,160         |
| Arizona              | 751,940    | 49,480     | 20,560    | 681,900        |
| Arkansas             | 509,600    | 41,200     | 17,750    | 450,650        |
| California           | 4,064,290  | 285,120    | 111,740   | 3,667,430      |
| Colorado             | 515,320    | 36,040     | 16,410    | 462,870        |
| Connecticut          | 565,850    | 29,190     | 15,130    | 521,530        |
| Delaware             | 129,550    | 8,370      | 3,550     | 117,630        |
| District of Columbia | 74,460     | 5,260      | 2,340     | 66,860         |
| Florida              | 3,111,900  | 174,530    | 71,870    | 2,865,500      |
| Georgia              | 1,061,650  | 95,680     | 39,680    | 926,290        |
| Hawaii               | 174,850    | 10,780     | 3,740     | 160,330        |
| Idaho                | 186,190    | 12,240     | 4,910     | 169,040        |
| Illinois             | 1,816,170  | 112,120    | 52,020    | 1,652,030      |
| Indiana              | 976,960    | 63,030     | 31,550    | 882,380        |
| Iowa                 | 536,740    | 24,480     | 14,000    | 498,260        |
| Kansas               | 432,790    | 24,960     | 12,190    | 395,640        |
| Kentucky             | 724,690    | 60,730     | 32,650    | 631,310        |
| Louisiana            | 701,360    | 70,540     | 28,090    | 602,730        |
| Maine                | 243,920    | 15,400     | 9,310     | 219,210        |
| Maryland             | 700,090    | 48,780     | 18,630    | 632,680        |
| Massachusetts        | 1,049,580  | 60,270     | 36,950    | 952,360        |
| Michigan             | 1,811,750  | 106,810    | 50,370    | 1,454,570      |
| Minnesota            | 720,080    | 35,720     | 20,830    | 632,340        |
| Mississippi          | 501,700    | 56,070     | 22,790    | 422,840        |
| Missouri             | 980,760    | 68,690     | 31,510    | 880,560        |
| Montana              | 154,560    | 10,550     | 4,180     | 139,830        |
| Nebraska             | 281,690    | 14,850     | 7,150     | 259,690        |
| Nevada               | 260,090    | 16,280     | 5,970     | 237,840        |
| New Hampshire        | 182,320    | 11,940     | 6,390     | 173,990        |
| New Jersey           | 1,320,230  | 73,510     | 33,150    | 1,213,570      |
| New Mexico           | 268,660    | 24,450     | 8,900     | 235,310        |
| New York             | 2,958,870  | 186,830    | 67,140    | 2,705,100      |
| North Carolina       | 1,297,070  | 83,070     | 41,850    | 1,172,150      |
| North Dakota         | 115,140    | 5,580      | 2,630     | 106,930        |
| Ohio                 | 1,901,580  | 109,790    | 57,860    | 1,733,930      |
| Oklahoma             | 585,120    | 39,910     | 17,380    | 527,830        |
| Oregon               | 555,280    | 29,940     | 13,950    | 511,390        |
| Pennsylvania         | 2,328,200  | 110,760    | 56,150    | 2,161,290      |
| Rhode Island         | 190,000    | 10,590     | 5,900     | 173,510        |
| South Carolina       | 681,280    | 55,550     | 22,520    | 603,210        |
| South Dakota         | 134,670    | 8,230      | 3,590     | 122,850        |
| Tennessee            | 958,260    | 73,610     | 34,880    | 849,770        |
| Texas                | 2,548,810  | 206,220    | 76,150    | 2,266,440      |
| Utah                 | 231,330    | 19,920     | 7,460     | 203,950        |
| Vermont              | 102,090    | 6,680      | 3,560     | 91,850         |
| Virginia             | 991,800    | 69,350     | 32,490    | 889,960        |
| Washington           | 816,200    | 46,730     | 22,830    | 746,640        |
| West Virginia        | 387,440    | 26,800     | 15,220    | 345,420        |
| Wisconsin            | 885,080    | 44,880     | 24,770    | 843,060        |
| Wyoming              | 74,360     | 5,250      | 2,460     | 66,650         |

Source: SSA Office of Policy. Based on 10 percent sample. Total includes beneficiaries in outlying areas and foreign countries. Note that "17 and Under" may not match definition of "children" in Table 1 (supplement at end of report) due to SSA categorization of adult disabled beneficiaries as well as 18-19 year old beneficiaries.

At every stop, I highlighted to thunderous applause, that the President never mentions disability or survivor benefits, and the fact that in my Congressional District, 46% of Social Security recipients are not retirees.

Under the current system, Social Security provides the equivalent of a \$403,000 life insurance policy and a \$353,000 disability insurance policy. There are 1.3 million Americans today between the ages of 18-39 who are receiving Social Security disability benefits. How many of them could actually afford the premiums on a private insurance plan that would give them the equivalent of \$353,000 in insurance?

Social Security is there for young people today as a safety net and an insurance policy in case the unexpected happens to them or a loved one. This is a message that is worth repeating time and time again.

### Call to Action

**Hold Teach-Ins at local colleges and universities in your district. Talk to young people about how they will be impacted by the President's proposed changes to Social Security. His current sales pitch for privatization is to scare young people by telling them Social Security won't be there when they retire. Our message should be clear. Social Security is here for them right now and it will continue to be there for them in the future if we don't allow the President to destroy it.**

*Download 2030 Action's full report on the President's proposal's impact on young people at:*

<http://www.ourfuture.org/docUploads/2030%20-%2050%20States.pdf>